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## GENERAL

1. France may demand change in Ruhr trusteeship order--  
US Ambassador Douglas in London believes that the French Government may demand a modification of the recent arrangements for German trusteeship of the Ruhr. US Ambassador Caffery in Paris quotes French Foreign Minister Schuman as finding it "almost incredible" that the US and the British had presented him with "a fait accompli" two days before the beginning of the London conference on the Ruhr.

(CIA Comment: CIA believes that the French Government will insist upon a modification of the recent US-UK ordinance concerning the Ruhr.)

## FAR EAST

2. CHINA: Chinese people resigned to early Communist victory--  
US Embassy Nanking reports that the bulk of the Chinese populace and virtually all Chinese officials, except Chiang Kai-shek and his immediate entourage, have resigned themselves to an early Communist victory. The Embassy indicates that a stalemate has been created in the Government by the fact that those elements which favor peace have no means of making their views prevail upon Chiang. The Embassy considers that Chiang is not likely to give up the struggle but will probably attempt to defend Nanking and will commit suicide when a Communist victory becomes a certainty.

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